SPEECH

OF

GEN. THOMAS EWING,

DELIVERED AT

Ironton, Ohio, July 24, 1875.

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FELLOW-CITIZENS: I shall address you to-day only on the money question. It is not a question of ordinary politics affecting indirectly and remotely the welfare of the people. It is of present and paramount importance, and concerns every one who is personally engaged in industrial pursuits, or whose fortune is embarked in them.

I know the subject is one almost every body dislikes to study or discuss. But I do not offer you an abstract disquisition on the nature and offices of money, on which political philosophers differ and confute, as did the schoolmen of the Middle Ages on entities and quiddities. I ask you only to take the lamp of our own recent experience as a people, and by it direct your steps.

All eyes are on Ohio. The wonder seems to be that the Democracy have dared to take issue with the finance policy of the Republican party—a policy of ruin to the many and aggrandizement to the few. The money power which dictates that policy assumes to control both the great parties. It is a mighty power—the dread legacy of the war—which gathers from all parties to the support of its schemes men of largest control in business, politics and literature—the Sir Oracles of public opinion. It has heretofore ruled our National finances almost without dispute through its instrument, the Republican party. Its measures are exactly those through which its prototype, the money class of England, fastened on the masses of her people a burden of perpetual debt which they can barely carry and live; and which have been grafted here to bear precisely the same fruit. It is a power which brooks no determined opposition from king or people. The howl of rage and torrent of denunciation from its organs which now greet our ears bring us the welcome intelligence that the arrow from our Ohio Convention hit the clout.

THE ISSUE ON THE MONEY QUESTION STATED.

The issue between the Ohio Democracy and the Republican party on this question may be succinctly stated thus:

The Republicans say the moneyed class shall determine the proper volume of the currency; the Democracy say the people shall determine it.

They say the business of the people shall conform to such quantity of currency as the banks can keep afloat redeemable in gold; *we* say the volume of currency shall conform to the wants of business.

They say the people's money shall be issued by pet corporations; we say it shall be issued only by the Republic.

They say the people shall pay interest on the whole currency to the banks; we say the whole currency shall be part of the debt bearing no interest.

They say the interest-bearing debt shall be increased over four hundred millions to buy up and destroy the greenbacks and fractional currency; we say it shall be reduced over three hundred millions by substituting greenbacks for National Bank notes.

The verdict of the people of Ohio on these issues, rendered after full discussion, will, I believe, be ratified by the judgment of the American people. I have no fear of the result. If it be shown that the policy of the Democracy involves repudiation or a wild scheme of imposture, the intelligent and conservative masses of our State will condemn it without instructions from Wall street. But if it shall appear to be consistent with National honor, and demanded by the interests of the people, the truculent billingsgate with which it has been assailed will only emphasize the popular verdict in its favor.

THE RESUMPTION LAW PRESENTS THE ISSUE.

The whole issue on this question is involved in the act of January 14, 1875, entitled "An act to provide for the resumption of specie payments." It provides in substance as follows:

1. That the forty-eight millions of dollars of fractional currency then outstanding shall, "as rapidly as practicable," be redeemed with silver *and destroyed.*

2. That the National Banks now or hereafter established may increase their currency without limit of aggregate amount by deposit of United States bonds as security under existing laws.

3. As each $100 of new bank money is issued, $80 of greenbacks shall be redeemed and *withheld from circulation*, until the three hundred and eighty-two millions of dollars of greenbacks then outstanding be reduced to three hundred millions.

4. On and after the 1st of January, 1879, all the remaining greenbacks shall be redeemable on demand in coin; and, once redeemed, *shall not be re-issued*

5. The Secretary of the Treasury is required to provide the coin for these redemptions, and authorized to sell five per cent. gold bonds to buy the coin.

THE RESUMPTION LAW A PARTY MEASURE.

This act is the climax of the finance policy of the Republican party since the war. That party must stand or fall by it. It was reported by Senator Sherman from a Republican Congressional caucus and passed under the gag of the previous question by a party vote—the Democracy to a man opposing it. It was promptly approved by the President, and was in effect indorsed by the Republicans of Ohio in State Convention.

Here, then, is the issue. Shall that law be carried out or repealed? Let the people of Ohio and the Republic consider the effect of its provisions and answer.

ORTY-FOUR MILLIONS FRACTIONAL CURRENCY TO BE DESTROYED—MORE CONTRACTION—MORE TAXES.

On the 8th of this month the Secretary of the Treasury announced that, by authority and command of that law, he had sold five per cent. bonds, and with the proceeds purchased over ten millions of silver coin to redeem and destroy fractional currency. He

has thus added five hundred thousand dollars to the annual taxes of the people. He declares his purpose, and is bound by the law, to go on and increase the bonded debt in purchase of silver to redeem and destroy the remainder of the fractional currency, which will make an aggregate increase of the annual taxes of over two millions and a half of dollars.

What good is to be attained by this large increase of the debt, when the people are struggling under an almost insupportable load of disaster and taxation, and when, owing to the paralysis of business, the revenues of the General Government fall short of its expenses, and bonds are being sold to meet the deficiency? Will it furnish the people a silver fractional currency? If it would, can we afford to pay two millions and a half of dollars annually for the difference between one fractional currency and the other—one having as much purchasing power and convenience as the other—the only difference being that one *chinks* in the pocket and the other doesn't?

But it will *not* furnish the people a silver fractional currency. It will destroy what they have and leave them none. The banks and brokers will buy up the silver for the premium. Two or three per cent. would be ample inducement for the purchase; and, as silver commands eight per cent. premium, it is folly to expect it to remain in circulation.

What do you say, then, fellow-citizens, to this provision of the act—this addition of two and a half millions to our yearly taxes—this holocaust of our indispensable fractional money—this contraction of the currency, forty-four millions of dollars and the further shrinkage of values and destruction of business which must follow?

BANK CURRENCY BEING CONTRACTED $213,000 A DAY.

But this is only the first step to specie payment. Let us see what the next has and will cost. This act provides for any increase of National Bank circulation which may be desired, and the withdrawal from circulation of greenbacks to the amount of eighty per cent. of such increase until the volume of greenbacks be reduced to three hundred millions. This was the tub thrown to Morton, Logan and such other Western or Southern Republicans as demanded an increase of the currency. They were either fooled by the provision, or betrayed their convictions. Its effect in connection with other provisions of law has been to largely contract the currency. Under its operation up to April 1st, three and a half millions of new National Bank notes were issued and nearly three millions of greenbacks destroyed. But up to the same date over seventeen millions of bank currency were surrendered and destroyed; the net result being a contraction of the currency over sixteen millions of dollars in seventy-five days after the passage of the act—two hundred and thirteen thousand dollars a day!

ALL THE GREENBACKS TO BE DESTROYED—MORE CONTRACTION—MORE TAXES.

The act next makes it the duty of the Secretary of the Treasury to provide gold to redeem all the greenbacks outstanding on the 1st of July, 1879, and issue five per cent. bonds, if necessary, to buy the gold. How much gold will be required? I answer, at least an amount equal to the sum of greenbacks which shall remain outstanding on the day of resumption. As there is no probability of much new issue of National Bank notes in the face of the provisions for specie payment, the Secretary will have to provide from three hundred and fifty to three hundred and seventy-five millions of gold by January 1, 1879. How will he get it? Not from revenues, for they are already less than expenses. The last Congress levied thirty-five millions of dollars a year of additional taxes, and it is believed that in the present and prospective prostration of industries

the revenues will still fall short. How then will he get that vast sum of gold? Only by selling bonds for gold, from month to month, as he has announced his purpose to do. That is, the debt is to be increased by from three hundred and fifty to three hundred and seventy-five millions, and about twenty millions of dollars of additional taxes levied each year to pay interest on the new bonds.

FIFTY MILLIONS OF SMALL BANK NOTES TO BE DESTROYED—MORE CONTRACTION.

Another feature in the scheme for specie payment is embodied in the National Bank Act (Revised Statutes, section 5175), which provides that after specie payment shall be resumed, no notes of less than five dollars shall be issued by the banks, thus cutting off fifty millions of our present National Bank circulation on the resumption of specie payment, and leaving the people neither greenbacks, fractional currency nor small bank notes.

These are the steps to specie payment. Their cost in increased taxes will be over twenty-two millions of dollars a year. But that is the smallest of the injuries the movement is inflicting and will inflict on the business of the country. Let us examine the other pernicious effects of the law.

THE AGGREGATE CONTRACTION REQUIRED BY THE LAW.

We had, on the 30th of April last, four hundred and twenty-two millions of legal tenders and fractional currency, costing us nothing; and about three hundred and thirty millions of bank currency, costing us about eighteen millions of dollars a year. The free money is to be absolutely withdrawn, and also the fifty millions of bank notes under five dollars, thus reducing the whole currency to two hundred and eighty millions of bank money.

We will be told that the greenbacks will not be presented for redemption, because when resumption occurs they will be worth par in gold. But with the large demand for gold throughout the world, and the acknowledged meagre supply—with the banks of all nations struggling for it to keep up their redemption funds—with all national debts payable in it—with our home demand for over two hundred millions annually for customs—and an export in excess of imports of sixty millions of gold annually—so large a portion of the treasure of the world could not be kept hoarded in our treasury. It would be drawn out by presentation of greenbacks for redemption until, in a year or two at furthest from the date of redemption, every dollar of greenbacks would be redeemed and retired from circulation.

In addition to the reduction of the currency by withdrawal of all the greenbacks, fractional currency and small bank notes, the National Banks must reduce their remaining circulation largely before the dread day of resumption. That this is a necessary result of the law in the opinion of the banks, is shown by the operation of the Resumption Act for two and a half months after its passage, in reducing the aggregate of bank circulation sixteen millions of dollars in excess of new issues.

OUR SUPPLY OF PRECIOUS METALS.

We pay abroad, on National and other securities, about one hundred and fifty millions of dollars in gold annually. Seventy-three per cent. of our foreign trade is carried in foreign vessels, calling for about fifty millions of freight in gold a year. Assuming that immigrants bring in as much gold each year as our countrymen traveling or sojourning abroad take from us, we have a yearly debt to pay to Europe, out of home resources alone, of two hundred millions of gold or its equivalent for interest on bonds and for

freights. In other words, we start out to trade with the rest of the world each year with that balance against us. We pay it partly in gold and silver, partly in other commodities, partly in making new debts. Our whole product of gold and silver for five years, from 1869 to 1873, was a little less than sixty millions a year. Our annual exports of gold and silver coin and bullion over our imports of the same commodities are stated by Mr. Field at an average of sixty millions: (last year it was over fifty-one millions, and so far this year it is double the rate of last.) Now deduct from our bullion product twenty per cent., estimated as consumed here in the arts, and we have a net product for export or coinage of but forty-eight millions—so that, notwithstanding our large product of the precious metals, the aggregate of coin and bullion remaining in the country is steadily diminishing. This statement is corroborated by the fact that the gold and silver in the United States is estimated by the Secretary of the Treasury at one hundred and sixty-six millions in 1874, against two hundred and eighty-five millions estimated by Walker in his "Science of Wealth" in 1860.

We start out, then, with such debt abroad as has reduced our gold and silver to one hundred and sixty-six millions, and carries away from our shores each year more than all our product added to all that returns to us. Bullion bought by the Treasury abroad to prepare for redemption and withdrawal of legal tenders may be hoarded until the day of resumption, but it will then pour out and flow where our growing foreign debt, and the markets from which it may be extracted, demand it.

HOW MUCH CURRENCY WILL OUR GOLD SUPPORT.

Let us see, then, what amount of redeemable currency can be kept afloat in the United States with our present supply of gold and our means of keeping it.

I read from a table showing the total amount in dollars of the precious metals in three of the chief commercial nations of the world, and of the paper currency they are able to keep afloat, prepared by me from statistics in Appleton's American Encyclopedia, Walker's Science of Wealth and other authorities. It is to be observed that the power of the banks to obtain and keep gold is to a large extent dependent on the amount afloat in their respective countries.

	Total coin in country.	Total coin in bank.
Great Britain, 1872	$685,000,000	$125,000,000
France, 1874	760,000,000	157,000,000
United States, 1860	285,000,000	83,000,000
United States, 1874	166,000,000	10,620,000
	Paper currency.	
Great Britain, 1872	$252,000,000	Redeemable.
France, 1874	564,000,000	Not redeemable.
United States, 1860	207,000,000	Redeemable.
United States, 1875	741,000,000	Not redeemable.

We all recollect the difficulties experienced by our banks before the war in maintaining specie payment with one-fourth of our present volume of paper money and nearly double our present supply of precious metals, and the disastrous panics to which our system of mixed currency subjected us. If by the Republican resumption law we reduce our present excellent currency to two hundred and seven millions of bank currency (the quantity of paper money we had before the war), I see no reason to believe that we could *maintain* specie payment as successfully as we did then. We then had a shipping which carried more than our own commerce, and to which other nations paid tribute in freights, and we owed abroad less than five hundred millions of National, State, municipal and other bonds, while we now owe five times that sum, calling for

gold interest. For five years prior to 1860 we produced fifty-four millions of the precious metals—nearly as much as our present production. The conditions for maintaining an equal volume of redeemable paper money were certainly more favorable then than now. Yet at that time two hundred and seven millions was as large an amount of paper as could be kept afloat—not *actually redeemable*, but just "so so."

On these facts I assert, without fear of successful contradiction, that this law necessarily involves not only the cancellation of all the United States notes, including fractional currency, and of the fifty millions of bank notes below five dollars, but also a further reduction of the present bank currency to about two hundred millions of dollars.

WHAT GRANT THOUGHT ABOUT IT IN 1873-74.

Such is the resumption law, and such its inevitable effects in increasing the public debt, and in changing the character and shrinking the volume of our currency. Its enactment is justified on the assumption that our present currency is bad in kind and excessive in amount; that a bank currency redeemable in specie will be better; and that we are already prepared for early resumption. Each of these propositions is unfounded. Each was strongly condemned by the Administration itself in the annual message of the President of December, 1873, only a year before the passage of the Resumption Act. I read from that message:

"The experience of the present panic has proven that the currency of the country, based as it is upon the credit of the country, is the best that has ever been devised. Usually, in times of such trials, currency has become worthless, or so much depreciated in value as to inflate the values of all the necessaries of life as compared with the currency. Every one holding it has been anxious to dispose of it on any terms. Now we witness the reverse. Holders of currency hoard it as they did gold in former experiences of a like nature.

"It is patent to the most casual observer that much more currency or money is required to transact the legitimate trade of the country during the fall and winter months, when the vast crops are being removed, than during the balance of the year.

"In view of the great actual contraction that has taken place in the currency, and the comparative contraction continuously going on—due to the increase of manufactories and all the industries—I do not believe there is too much of it now for the dullest period of the year.

"A specie basis cannot be reached and maintained until our exports, exclusively of gold, pay for our imports, interest due abroad, and other specie obligations, or so nearly so as to leave an appreciable accumulation of the precious metals in the country.

"To increase our exports sufficient currency is required to keep all the industries of the country employed. Without this, National as well as individual bankruptcy must ensue."

This was General Grant's common sense view of the subject three months after the panic. On these suggestions Congress acted, and passed a bill for a small increase of the currency, against the combined opposition of the specie payment financiers. But meanwhile delegations of usurers and theorists besieged the President, and he surrendered at discretion. He vetoed the bill framed on his own suggestions, and in his veto message this currency which he had lauded as "*the best that has ever been devised*," was denounced as one of the "*evils* growing out of the rebellion!" Thenceforth he became merely the mouth-piece of the money power.

THE MARCH TO SPECIE PAYMENT BY CONTRACTION FROM 1865 TO 1873.

To get a full view of the dangers which threaten us in this march to specie payment, it is necessary to look back to its origin and progress, and its past and present effects on the business of the country.

It was begun by Mr. McCulloch in 1865, at the dictation of European capitalists. He then had an agent abroad (Mr. Lanier) negotiating bonds, who reported to him that

"the feeling in favor of the contraction of the currency was universally expressed as the sole condition on which our credit abroad could be maintained." Thereupon the contraction policy was adopted. Gold that year after the war averaged about thirty-five per cent. premium—our currency was the largest we ever had—and the industries of the country in all branches most prosperous. Ten years have since passed—the policy of contraction has been pursued at the dictation of the money class abroad and at home—gold is now at sixteen per cent. premium and rising—and the industries of the country lie prostrate. If the people's interests, instead of the demands of bond-holders, had controlled our money policy, the industries of the country would have been still flourishing, and specie payment far nearer reached than now.

The state of the currency October 31, 1865, may be judged from the following table of notes of all kinds then outstanding. It is from Spalding's Finance History, page 201:

Greenbacks and fractional currency	$454,000,000
State and National bank notes	250,000,000
Five per cent. legal tenders	33,000,000
Three per cent. certificates of indebtedness	56,000,000
Temporary certificates	99,000,000
Seven-thirty treasury notes	830,000,000
Compound interest notes	173,000,000
	$1,895,000,000

The floating war debt had been substantially settled, and the *bonded debt* was but $1,162,000,000, of which nearly all was held in the United States. The *interest-bearing notes* were all held at home—they were bank *reserves*, thus liberating non-interest bearing currency. The interest due on them was paid *in currency*. It ebbed and flowed from the Treasury to the people as interest, and from the people back to the Treasury as taxes. These notes were held as investments or reserves, except at times when large transactions or a more than ordinary business need of money called them out to perform its office. They were the reserve corps of the currency.

The consequence of having this large amount of money and interest notes held by the people was that, notwithstanding we were paying heavier taxes than were ever before imposed, there was from 1863 to 1866 a season of prosperity and *freedom from personal debt* unparalleled in our history. During the eight years from 1865 to 1873, while the population and business of the country were growing, a large amount of legal tenders and nearly every dollar of the eleven hundred and ninety-one millions of Treasury notes bearing interest—which had served as currency, reserve and investment by turns—were withdrawn, and the currency on the 30th of June, 1873, stood as follows:

United States notes and legal tenders	$416,000,000
National Bank notes	350,000,000
	$766,000,000
Less reserve	128,000,000
Total available currency	$638,000,000

The bonded debt had meanwhile been increased from one thousand one hundred and sixty-two millions in 1865, to one thousand seven hundred and thirty-two millions, over half of which had been sold abroad, calling for about sixty millions of gold interest annually.

Thus, under the contraction policy adopted and steadily pursued by the Republican party from 1865 to 1873, the interest burden of the debt was largely increased; it was changed from a home debt payable in currency to a foreign debt payable in gold—the

interest-bearing notes which had served the people alternately as currency, bank reserves and investments, were taken up, leaving a vastly smaller currency, the inadequate amount of which cramped business, checked enterprise, and led to the substitution of credits with enormous interest to carry on the enterprises and business of the people. The panic came and shook the credits, which were a bad and only partial substitute for the destroyed currency and interest notes, and the business of the country thereupon collapsed.

WHY BUSINESS DOES NOT REVIVE.

Two years have passed since the panic—why is there no symptom of recovery? Why does each season, compared with that preceding, tell of shrinking values, reduced manufactures and trade, greater suffering among laborers, and bankruptcy among producing and trading capitalists? Why have our exports fallen off a fourth? Why are half our iron furnaces out of blast; our woolen and cotton factories closing; our lands and lots being sold for taxes; bankruptcies multiplying; laborers at lowered wages put on half work or no work; and the cry of want, amid the abundance of God's bounties, going up from every industrial center in the land?

It is because "money is plenty"—in the stagnant pools where craft dams it up, and scarce in the channels of business, where it was wont to flow. It is because capitalists know that if the contraction policy be pursued the bottom is not yet reached, and will not be for years after resumption; that most industrial pursuits, of which money is the handmaid, can not survive the strain of the further contraction necessary to resumption in 1879. They, therefore, hoard their money, or lend it only on securities such as ordinary business can not offer, waiting for the combined effects of contraction by hoarding and contraction by the resumption law to still further shrink or destroy all values except the almighty dollar and bond. They complacently bide their time, like wreckers waiting on a dangerous coast, till the storm be past and the ships lie foundered; or like vultures lazily hovering till Death prepares their feast.

A STRIKING PARALLEL—THE BRITISH RESUMPTION LAW.

That I do not err in attributing the business disasters of the past few years to the measures for specie payments, nor exaggerate the evils in store for us if this resumption law be executed, is shown by the history of resumption in England after her war with Napoleon, which is a striking parallel to our own experience.

Great Britain suspended specie payment from 1797 to (in effect) 1823—twenty-six years. That suspension enabled her to conduct her great war and send vast sums of gold to the Continent to pay troops and aid allies without the slightest disturbance of her home currency; and during that war her home industries and her foreign commerce grew more than in any equal period of her history. Napoleon said she conquered him "with her spindles." The war ended in 1815. The paper issues were large, credits extended, and the banks unprepared for resumption; but the cry was raised, "On to specie payments." Accordingly, in 1819, four years after the close of the war, an act was passed to resume specie payment in 1823—giving the British people just as long a notice as has been given us.

Sir Archibald Alison, in his History of Europe (second series, vol. 2, pages 144–45), says:

"The effects of this extraordinary piece of legislation were soon apparent. The industry of the nation was speedily congealed, as a flowing stream is by the severity of an Arctic winter. The alarm became as universal and wide-spread as confidence and activity had recently been. The country bankers, who had advanced largely on the

stocks of goods imported, refused to continue their support to their customers, and they were forced to bring their stocks into the market. Prices in consequence fell rapidly; that of cotton, in particular, sank in three months to half its former level. The entire circulation of England fell from $232,000,000 in 1818 to $174,000,000 in 1820, and in the succeeding year it sank as low as $142,000,000.

"The effects of this sudden and prodigious contraction of the currency were soon apparent, and they rendered the next three years a period of ceaseless distress and suffering in the British Islands. The accommodation granted by bankers diminished so much in consequence of the obligation laid upon them to pay in specie, which was not to be got, that the paper under discount at the bank of England, which in 1815 had been $103,300,000, sank in 1820 to $23,350,000! and in 1821 to $13,610,000! The effect upon prices was not less immediate or appalling. They declined in general, within six months, to half their former amount, and remained at that low level for the next three years. Distress was universal in the latter months of 1819, and that distrust and discouragement were felt in all branches of industry which are at once the forerunner and the cause of disaster."

Doubleday, in his "Financial, Monetary and Statistical History of England," says:

"We have already seen the fall in prices produced by the immense narrowing of the paper circulation. The distress, ruin and bankruptcy which now took place were universal, affecting the great interests both of land and trade; but especially among landlords whose estates were burdened by mortgages, settlements, legacies and the like, the effects were most marked. In hundreds of cases, from the tremendous reduction which took place in the price of land, the estates barely sold for as much as would pay off the mortgages, and the owners were stripped of all and made beggars."

In 1822, three years after the passage of the Resumption Act, and one year before it was to go into full effect, the distress of all the industrial classes became so great that a committee of the House of Commons was appointed to consider the subject, which reported that *in consequence—not of "over-production" or "over-trading," as was alleged by the bullionists—but solely of the contraction of the currency, resulting from the mere passage of the act*—a contraction in three years of forty per cent.—the price of *labor and all its products*, with scarcely an exception, had fallen in a still greater proportion. The committee further say:

"*In the midst of this fall of prices, what operation in business could proceed without loss or ruin? There has been no form in which the capital of the merchant, none in which the capital of the manufacturer, could be invested without the half of it being sacrificed during this calamitous period. We have been thrown back upon a condition of society in which all industry and enterprise have been rendered pernicious or ruinous, and where no property is safe unless hoarded in the shape of money or lent to others on a double security.*"

The result was that the theorists and usurers of Great Britain were compelled, a year before their act of resumption was to go into effect, to amend one of its most distressing features providing for the extinction of the small notes—a provision copied into our resumption law—by extending the time of their retirement to 1833.

Fellow-citizens! If there be value to us in the experience of other nations, does not this page of British history warn us against attempting resumption by contracting the currency after the plan of her usurers and theorists? She attempted it when gold was but three per cent. premium, and her circulation but two hundred and thirty-two millions. Ricardo, the oracle of the bullionists, said it would do no great injury to any one, as it merely involved the raising of the value of bank paper three per cent., while the event proved that it involved a contraction of the currency forty-five per cent., and

of business credits eighty-seven per cent., bringing in its train the ruin of manufacturers, tradesmen, merchants, farmers, and the degradation of the laboring masses to pauperism.

M. Leon Say, the French Minister of Finance, cites the disasters to the industries of Great Britain, resulting from the act of resumption, as a warning to France not to fix at present a time for specie payment, though her currency is at par with gold, and her people hold more of the precious metals than any other nation. Our theorists and usurers are leading us to even greater misfortunes than befell Great Britain—as our currency is over three times that of hers when her resumption act was passed—the premium on gold five times greater—and the reduction of the currency, instead of being ninety millions, will be over five hundred millions. The holders of the public funds forced resumption there as here. The second Peel, whom the Irish Catholics called "Orange Peel," was the mouth-piece of the bullionists, who advocated the bill in the name of "the public honor." His patriot father said to him when it was passed, "Robert, you have made the fortunes of your family, but ruined your country."

REPEAL.

Shall this resumption act be executed? Will the people suffer the money-lords here, by the same false cry of public honor, to make the fortunes of their families and ruin their country? Never! Let Ohio, standing in the center, cry out Repeal! Pennsylvania and Virginia will answer back Repeal! And from every State where the Mississippi gathers its waters will come the cry, Repeal! Repeal!! Repeal!!!

The Ohio Democracy demand that this whole plan of resumption be abandoned; that the contraction of the currency cease; that the National Bank Notes be canceled and greenbacks issued in their place, thus saving the people eighteen millions annually; that legal tenders be given increased value by making them receivable for half the customs; that the volume of currency be, by some prudent and intelligent method, adjusted to and kept equal with the growing demands of trade, and that the restoration of legal tenders to par with gold be brought about by promoting the industries of the people, and not by destroying them.

FALSE CRY OF REPUDIATION.

The usurers and theorists declare that this means repudiation. Does it, and why? Because, they say, the customs are pledged for the interest on the public debt, and must therefore be wholly paid in gold. But, as Judge Thurman has shown, the customs amount regularly to full twice the interest on the debt (which *we* do not propose to increase), and, therefore, half the customs will yield gold enough to pay the interest. They say it would be a violation of contract to take the circulation from the National Banks. But the last section of the law under which they were organized reserves to Congress the right to amend or repeal it at pleasure. They say the Government is bound to redeem and pay the greenback in gold, as it was taken on the faith of that promise. I answer it was never taken as a *public debt*, but only as a *legal tender*. It goes from hand to hand—is mine to-day and yours to-morrow. I doubt if there be a man in America who ever took a greenback on the promise of payment in coin. *Every one takes it solely because it is receivable for all debts and exchangeable for all values.*

But if the holder of the greenback be regarded as an investor in public funds—which he is not—still to redeem this money in gold, to the detriment of the business of the country, were a monstrous wrong. The greenback was issued *because* the Government could not pay its current debts in coin. The formal promise on the face of the bill fixes no day

of redemption; and all takers and holders know they are to be redeemed only when the interests of the public shall permit. The people's interest must be consulted; and doubly so because they chiefly hold the greenbacks from day to day, and also chiefly owe the debts, own the property, and do the business to be affected injuriously by forced resumption. There is a faith due to the people as well as to the holders of public securities. In the language of Edmund Burke, "*It is to the property of the citizen, and not to the demands of the creditor of the State, that the original faith of society is pledged. The claim of the citizen is prior in time, paramount in title, superior in equity.*"

WHO SHOULD DETERMINE THE AMOUNT OF CIRCULATION?

But who shall determine what quantity of currency the business of the country requires? The Democracy of Ohio say the people, who do the business, and are the sovereigns. The institution of money is conventional, and its establishment and regulation a sovereign prerogative. Why should the people surrender this sovereign power which determines the distribution of their wealth to the mere chance of gold production, or the vicissitudes of European crops or politics, or the interests of incorporated money-lenders? The money power does not distinctly deny the fitness of the people to make war or peace; to determine all questions of person or property; to regulate all the rights and duties of man within the scope of civil government. But they demand that the people shall abdicate in their favor the sovereign power of controlling the money of domestic commerce on the insolent assumption that they are, and the people are not, capable of regulating it.

The chatter about Confederate and Continental money, French assignats, "rags," etc., does not deserve serious answer. The Confederate and Continental currency were issued by Rebel Governments, when their cause was desperate, their people poor, and public loans impracticable at home or abroad, and when excessive issues of notes were resorted to as a last resource of despair. The French assignats were based on the confiscated property of the church and nobility, and lost all value when the Revolution itself was overturned, and the confiscated property restored to its original owners. Our Republic is the firmest Government on earth, regardful of public honor, with credit at home and abroad, and nine-tenths of the people are property-holders, with the conservative tendency which follows the possession of property. Such a people, under such circumstances, will not run into wild extravagance in this any more than in any other policy of government. They are used to power—have used it wisely and honestly—and will use it on this money question in spite of the contemptuous jeers of the minions of the money power.

WHAT SHOULD BE THE LIMIT OF CIRCULATION?

It is said the Ohio Democracy demand an issue of greenbacks unlimited and illimitable; and that an excessive issue will sink their value, and be in effect repudiation.

But our platform prescribes a limit—the requirements of business. Recently, in New York, a member of Congress—not our Buckeye abroad, Sam Cox—denounced our platform as one of wild inflation, and in the same breath declared that we already have more greenbacks than the wants of trade demand. I answered that if it be true we have more currency than business requires, our platform demands *contraction*, and therefore he should favor it.

The elements of our material growth are thirty billions of property, and the labor which by use of property produces seven billions of wealth annually—about seven-eighths of which product is consumed in living expenses. The business of production and exchange is now done with seven hundred and forty millions of currency—which is its life-

blood, keeping afloat and discharging fifty times its sum of commercial transactions. We say this body of business shall have all the blood it needs for healthy action and growth. Either the wants of trade must determine the limits of currency, or the arbitrary limit of currency will determine the volume of trade. Which shall be subordinate? If our position be wrong, the converse must be true, and the business be cut down to the dimensions of the foreordained currency. It were as sensible to cut down the business of our railway-system to meet the capacity of an arbitrarily fixed quantity of rolling stock; or to reduce the acreage of crops in the country by fixing an arbitrary number of mowers and threshers; or, after the custom of Chinese women, to limit the growth of the foot to a prescribed size of shoe.

HOW SHALL IT BE DETERMINED?

How shall the volume of currency be adapted to the wants of the trade? That is a practical question not in issue in this canvass. If the people declare it shall be done, the *how* can be left to their representatives, or to future popular discussion. I think, and for five years past have publicly advocated, that the Government should issue a bond bearing an interest about equal to the average net increase of wealth in the United States—say 3.65 per cent. per annum—which would be one cent a day on each one hundred dollars, into which bond legal tenders may at any time be converted, and which shall be itself convertible into legal tenders at the option of the holder. When currency becomes scarce these bonds would be converted into money; and, when money grows too plenty, the bonds would absorb the surplus. The business of the country would thus determine and obtain for itself the amount of currency necessary for its use, without arbitrary interference, and it would never be either glutted or starved; while the low rate of interest on the interchangeable bond would abate the usury which is the bane of our social system. This is one proposed method of adjusting the quantity of currency to the demands of business. It has not the sanction of either of the great parties, but has been indorsed by the late Treasurer of the United States, and by many of the most eminent financiers, statesmen and business men of the country, and is strongly recommended by our experience with our interest-bearing notes about the close of the war, before our home currency debt was made a foreign gold debt, and the policy was inaugurated of giving to the banks control of the people's money.

LEGAL TENDERS CONSTITUTIONAL.

But it is claimed that the proposed issue of legal tenders is unconstitutional. I will not consider the objection here further than to say that the Supreme Court of the United States, in the legal tender cases at the December term, 1870, decided the acts authorizing their issue constitutional. The Court did not hold the issue valid because it was a means of executing the grant of *war powers*, but because it was an act not prohibited by the Constitution, and "calculated to effect *one* of the objects intrusted to the Government." If a new issue of legal tenders, to take the place of bank notes, or supply a deficiency in the currency, be found an appropriate means of enabling the Government to carry and pay its debt and expenses, it would be fully sustained by the reasoning of the Court in pronouncing that decision.

DEMOCRATIC TRADITIONS.

Some Democrats think our platform a departure from the traditions of the party. The statesman who did more than all others to fix Democratic principles in our Constitution, the father of Democracy—Thomas Jefferson—has spoken on an issue almost identical with this. About the close of the war of 1812 the people were heavily burdened with two

war debts; the Continental money had been dishonored, and eight hundred banks furnished the entire currency of the country. He then declared, as a proper measure of relief for the people, that "*Bank paper should be suppressed, and the circulation restored to the nation, to whom it belongs.*" He said, "*Congress may now brorow of the public, without interest, all the money they want, to the extent of a competent circulation;*" and he further proposed that such National currency should be a legal tender for all public dues, and convertible at the option of the holder into Government bonds. Later, when the Government was free from debt, and the people had no burdens to be lightened by an issue of Government notes—such as they had in Jefferson's day and now have—Jackson and Benton fought *against the Banks*, and demanded "hard money" rather than the "rag money." But Democrats who now quote them are, in effect, fighting *for the Banks*, with the same catch-words. "The letter killeth; but the spirit giveth life!"

VICES OF PROPOSED BANK CURRENCY.

We can not have a currency composed largely or exclusively of gold—that is admitted on all sides. We have only a choice between two systems of paper money: bank money nominally redeemable in gold after January 1, 1879, and legal tenders redeemable at the pleasure of the Government.

The chief considerations respecting the bank money system are:

1. It is a device to supplement the acknowledged deficiency of coin with a credit currency, at the risk and cost of the people, and for the aggrandizement of monopolies.

2. It is founded on the false pretense that one dollar in gold will redeem three dollars in paper and five dollars in deposits. Whenever a panic, accidental or contrived, occurs, the juggle fails, and brings confusion and loss to the business built on it. Mr. Page, of the Bank of England, characterizes this mixed currency as "a grand system of insidious swindling."

3. It will reduce our currency to about a quarter of its already reduced volume, because of the small and steadily diminishing supply of gold in the United States.

4. The struggle of the banks to hoard gold will successfully keep *it* out of circulation, and leave us only such meager supply of currency as the banks dare keep afloat.

5. The system is, by constitution, panicky. It is a currency of three parts paper and five parts deposits, built on one part gold. The gold foundation is as unstable as water; as fickle and volatile as mercury. It is here this month, in England next, in France next, wherever the winds of war, or craft, or traffic blow it. Our banks could no more control its export than they could control the crops, or finances or politics of Europe, which cause its export. The shipment of gold would come directly from the banks, for there it would be stored, subject to demand of depositors and note-holders. Mr. Patterson, in his "Science of Finance," says: "When the stock of gold in the Bank of England is at its ordinary level, the export of ten or fifteen millions suffices to produce a derth of money and a serious commercial crisis." We exported this year, to the 15th of July, fifty-five millions of gold. Under this proposed bank system, and with our frequent large shipments of gold, cramps, panics, suspensions, and consequent disaster to business, would be the rule, and an even course of business the exception.

THE CURRENCY NEEDED FOR OUR FOREIGN COMMERCE.

This convulsive currency is demanded in the interests of our foreign commerce. Our home exchanges are over thirty billions of dollars annually; our foreign exchanges less than a billion. Our commerce on the Ohio doubtless surpasses that on the seas. Shall

the wants of our home or of our foreign trade determine the character of the National currency ? Shall the dog wag the tail, or the tail wag the dog ?

But I deny that our foreign commerce would be promoted by a currency so unfit for domestic business. There *is no* "money of the world." There is a product—gold—in which balances of trade between nations are generally settled. Our National currency should bear as steady a relation to a given weight and fineness of that product as the unstable value of gold, arising from the fitful changes of demand, will permit. It is the *stability of relation* of the currency to gold, and not the *equality of our paper dollar with our gold dollar*, that the wants of foreign trade require. The best assurance of National solvency, honor, and commercial power, is in a home currency which will fill, without paroxysms of drouth or overflow, the channels of domestic industry.

CONCLUSION.

Fellow-citizen, the Ohio Democracy has called a halt in the march of the Republican administration to the equalization of the currency with gold, and demands that another and better route shall be taken. The two roads are widely divergent. One leads through years of individual bankruptcy, prostration of business, riot of usurers, impoverishment and degradation of the masses; to the establishment of a currency meager in quantity, inferior in character, and controlled by monopolies in a few money centers, whose power will make them lords and the people serfs. The other leads through industrial activity, abatement of usury, employment of labor and diffusion of wealth, to the establishment of an exclusively National currency, controlled by the people with a due regard to all obligations of honor and to the equal interest of all sections and classes. Which road shall we take ? Shall we plunge on for four years through the Serbonian bog in which the industries of the country are now struggling and sinking, or march by the pleasant and solid paths of prosperity and thrift ?